App. F. IX—4

Previous References.
Ind. Dep. 384/55-56
Ind 190-54-13-16.

(1954)
Ind

File No. 190-54.
Serial Nos. 21-22.

Later References.
Ind. 190-54-2421

MYSORE GOVERNMENT SECRETARIAT

Serial Nos. Two only—

Part B for April 1956

SUBJECT

Re. the loan of Rs. 50,000/- sanctioned to the Mysore chrome tanning Co., Ltd., Bangalore, on Government guarantee — Form of guarantee.

No. I. 4921.

WD 0249—GPB—25,000—16-9-55

D. 17.2.56

The Dir. of Sec.

C. V. Rajanna
17/5/56

Mysore Government Secretariat

Loan sanctioned to the Mys chrome Tanning Co, Ltd, B'lore – executing the letter of guarantee. [App. F. III 2

File No. 4438/2nd. of 195

Serial No.

Letter No. 21-S.A. Misc. 187/52-53 dt 12-1-56 from the Dir of Ind re the loan of Rs. 50,000/= sanctioned to be paid to the Mys. chrome Tanning Co Ltd., Bangalore on the usual guarantee.

1) The connected file 2nd 190-54-13-16 is placed bel by the Dir of Ind states that the letter of guarantee executed in favour of the Bank of Mysore, Ltd., was forwarded to the Bank for extending the Bank accomodation to the extent of Rs. 50,000/= to the concern.

Flag. B in the collection placed below.

2) The Manager, Bank of Mysore has intimated that pending completion of the documents and formalities, they have accommodated the concern to an extent of Rs. 33,142. only by way of cash credit loan and that in intimation the ~~Bank~~ Manager of the Bank has further desired that a Deed of guarantee, as per their standard form, may be got executed by Govt. in favour of the Bank of Mysore, in lieu of the one already executed. The Director has forwarded the draft guarantee Deed recd from the Bank in this behalf and requested that the same may be got scrutinised in the Law Dept whether and to intimate whether it may be accepted or not.

Flag. A

3) The draft guarantee Deed may perhaps be referred to the Law Dept for favour of scrutiny.

24/1/56. Sec (Fin)/

4) The Deed of Guarantee already executed on behalf of Govt. was prepared in the form suggested by the Advocate-General. The Bank of Mysore, however, desires that the

Note.—Contn. Sheet

Loan sanctioned to the Mysore Cheroma Spinning Co Ltd, B'lore
– Execution of the letter of guarantee.

File No. of 195 . 7285 Lawsec 56

Mysore Government Secretariat

Serial No. 4432

Deed should be as per their Standard Form.
The Law Dept. may be requested to
scrutinise it.

D.N. Secy. 19/1/56

5) Law dy) Mq
307/56. H.S.H

6) If appd, this will be reqd to the
Addl Govt Dy Secretary (Cyril Jones) for
return.

7) Lawsecy) 19/1/56

8) Forwarded to the Advocate General together with
the Memorandum submitted by
Hle. Hazarilal Gupta as
Secretary to Govt
Law Dept

U.O.T. 419/55-56 dt 4-2-56.

9) There is little or no variation in
the terms; except in the form of drafting.
The form suggested by the Bank which
they call their "Standard form", may
be adopted. – Hle. Ethirajulu Naidu
Addl Gen 3/2/56

10) Development Secretary) cm
6/2/56
K

Mq
7/2/56 H.S.H

11) Subd with a draft letter to for approval.
15/2/56 15/2
Draft for appl.
Jones 15/2

Urgent Card
15/-

SECRETARY DEVELOPMENT DEPARTMENT
6223
27 JAN 1956
Government of Mysore

SECRETARIAT
13293
JAN 1956
LAW DEPARTMENT

SECRETARIAT
13294
1956
LAW DEPARTMENT

THE ADVOCATE-GENERAL
G.O.F. 377/53-56
BANGALORE.
dt. 1-2-56

SECRETARIAT
13788
6 FEB 1956
LAW DEPARTMENT

SECRETARY DEVELOPMENT DEPARTMENT
7 FEB 1956
Government of Mysore

Serial No.

To Issued R. no. 9. 4921 dt. 17. 2. 38
from Dir. of Ir.

Stated that since there is little or no variation in the terms except in the form of drafting, the form suggested by the Bank of Mysore Ltd., may be adopted.

B
29/3/38.
25/6/4"

Ind. 190-54-21

4438/I

GOVERNMENT OF MYSORE

DEPARTMENT OF INDUSTRIES AND COMMERCE

OFFICE OF THE DIRECTOR,

No.E1.SA.Misc.187/52-53.
Encls:Two.

Bangalore, Dated: 12th January, 1956.

THE SECRETARY TO GOVERNMENT,
Development Department,
B A N G A L O R E .

SECRETARY DEVELOPMENT DEPARTMENT 13 JAN 1956 Government of Mysore

SIR,

SUBJECT::THE MYSORE STATE AID TO INDUSTRIES ACT,1951.
Loan of Rs.50,000 sanctioned to be paid to the Mysore Chrome Tanning Company Ltd.,Bangalore, on the -- Government Guarantee.

3206.
B27/12.

With reference to the above, I write to state that the Letter of Guarantee executed by you on behalf of the Government in favour of the Bank of Mysore Ltd.,Bangalore, and received with your letter No. I.3277 Ind.190-54-16 dated 31st October 1955 was forwarded to the Bank of Mysore Ltd.,Bangalore, for extending the Bank accommodation to the extent of Rs.50,000 to the concern immediately since the latter were in urgent need of funds.

The Manager, Bank of Mysore Ltd.,Bangalore, has since intimated in his letter No.Loans/32715 dated 5-12-1955(copy enclosed) that pending completion of the documents and other formalities they have accommodated the concern to an extent of Rs.33,142-5-0 only by way of custody loan and that intimation will be sent to this office immediately the sum of -- Rs.50,000 is made available to the Concern.

The Manager, Bank of Mysore Ltd., Bangalore, has further desired that a Deed of Guarantee, as per their standard form, may be got executed by Government in favour of the Bank of Mysore, Bangalore, in lieu of the one already executed.

In forwarding the draft Guarantee Deed received from the Bank in this behalf, I request that the same may kindly be got scrutinised in the Law Department and whether it may be accepted or not may also be intimated.

Yours faithfully,

(K. NARAYANASWAMY),
DIRECTOR.

mVs. 2.)

COPY OF Letter No.Loans/32715 dated 5-12-1955 from the Manager, Bank of Mysore Ltd, Bangalore, addressed to the Director of Industries and Commerce in Mysore, Bangalore.

RE:The Mysore State Aid to Industries Act,1951.
Loan of Rs.50,000 sanctioned to be paid by us on the Guarantee of the Government of Mysore to M/s. Mysore Chrome Tanning Company Ltd.,

---

With reference to the correspondence resting with your letter No.Mis.187/52-53 dated the 29th October 1955 we write to inform you that pending completion of the documents and other formalities, we have accommodated the said Company to the extent of Rs.33,142-5-0 only by way of Custody Loan and thus assisted them as suggested by you in your letter under reference. We will intimate to you immediately the sum of Rs.50,000 is made available to them.

In this connection, we shall be glad if a Deed of Guarantee is executed as per our standard form(draft enclosed) in lieu of the letter of 31-10-1955 sent by you.

--------COPY-------

For Director.

mVs. 1.)

THIS DEED OF GUARANTEE executed this.....day of.....
One thousand nine hundred and fiftysix by the Rajpramukh, His Highness the Maharaja of Mysore, acting in the exercise of the Executive Power of the State of Mysore, represented by the Secretary to Government, Development Department(hereinafter referred to as "the Guarantor") in favour of the Bank of Mysore Ltd., a Joint Stock Company, deemed incoporated under the Indian Companies Act 1913 and having its registered office and principal place of business in Avenue Road,Bangalore City represented by Sri B.V.Narayana Reddy,(hereinafter referred to as "the Bank") is as follows:-

WHEREAS the Mysore Chrome Tanning Company Ltd., a Joint Stock Company deemed incorporated under the Indian Companies Act 1913 and having its registered office and principal place of business in Mysore Road,-- Bangalore(hereinafter referred to as "The Principal Debtor") has at its meeting held on 5-5-1954,proposed and resolved to request the Government of Mysore to grant immediately a further loan of Rs.50,000/- on the securities already furnished for the existing loan to meet the urgent requirements of working capital of the Company and of increasing production, having regard to its installed production capacity and the need for keeping up labour employment at the Works as hitherto and have accordingly requested sanction of the Government of Mysore.

WHEREAS the Government of Mysore, have, in their order No.I.331-35/Ind. 190-54-8 dated, Bangalore, the 23rd April 1955 sanctioned the proposal of the Principal Debtor and requested the Bank to grant the loan of Rs.50,000 (Rupees Fifty thousand) only, to the Principal Debtor on the Government Guarantee subject to the conditions mentioned by the Director of -- Industries and Commerce in his letter dated 22-7-1954 and the Bank of Mysore Ltd., in their letter dated 1-3-1955.

WHEREAS the Bank has agreed to advance up to the limit of the aforesaid sum of Rs.50,000 only by way of loan to the principal debtor for the -- purposes mentioned in its above resolution against the hypothecation -- over the stock-in-trade of the said principal debtor, the Bank's being the first charge and also on the guarantee of the Government of Mysore as undertaken in the above Government Order, the entire loan with -- interest thereon at the rate of 6½% per annum and with all costs and expenses incidental thereto being repayable within a period of 12 months from.....

NOW, THEREFORE this Deed of Guarantee witnesses that in pursuance of the above agreement and consideration of the aforesaid sum of Rs.50,000 only being advanced by way of loan to the principal debtor on the -- terms and conditions proposed by the Bank and accepted by the principal debtor and the Government of Mysore, the Guarantor hereby agrees and covenants as follows:

THAT

THAT the Guarantor will be jointly and severally liable with the principal debtor in respect of the amounts due and owing by the principal debtor - under the terms and conditions of the Hypothecation Deed dated..... and executed by the said debtor in favour of the Bank and will repay the sai amounts to the Bank, if the said debtor fails to repay the same on demand.

THAT if the principal debtor fails to pay the amount due to the Bank, the Guarantor shall immediately thereafter be liable to pay the said amount or amounts to the Bank.

THAT any variance in the terms of the contract inclusive of the rate of interest made with the principal debtor, witholding of credit or giving of any further or other advances to the principal debtor, taking of any other as additional security from or the parting with any security to the principal debtor, giving of time to or promising not to sue the principal debtor, absence of demand for payment either on the principal debtor, ~~xxxxxx~~ or ~~xx~~ the Guarantor, entering into any composition with the principal - - debtor or the Guarantor, ~~entering into any composition with the principal debtor, or the Guarantor~~ doing or omitting to do any act which may result in legally releasing the principal debtor or be inconsistent with the -- Guarantor's rights but for this provision, shall not operate as a discharge of the ~~x~~ Guarantor's liability to the Bank in respect of the amounts -- guaranteed as aforesaid, and the Guarantor further consents not to claim any of the rights conferred on sureties by sections 132, 134, 135 and 141 or any othe provisions of the Indian Contract Act.

THAT this Guarantee should be and have effect as a continuing Guarantee and shall not be revocable by the Guarantor except with the consent of the Bank and until all the amounts due to the Bank as aforesaid are finally and completely discharged.

THAT the amount of Rs.50,000 may be allowed to be operated by the principal debtor and the Bank shall furnish to the Guarantor the state of account of the principal debtor only on making a written request therefor and not otherwise.

THAT any account settled between the Bank and the principal debtor shall be conclusive evidence against the Guarantor and shall not be questioned by the Guarantor, except on the ground of mistake or fraud.

the Bank or of the principal debtor. That the guarantee hereinbefore contained shall not be affected by any change in the constitution

THAT the terms "The Guarantor","the Bank" and ~~the~~ "the Principal Debtor" in this Deed shall, whenever the context so requires or admits, mean and include, their respective successors in office or business, representa-- tives and assigns.

IN WITNESS WHEREOF the Guarantor represented by the Secretary to Government, Development Department, Government of Mysore, has hereunto set his hands and seal the day, month and year first above written in the presence of witnesses who have attested below.

Witnesses:-

1.

2

True copy

FOR DIRECTOR

GUARANTOR.

Secretary to Govt.

I 4921 Ind. 90-54-22
D 17/2/56

To

The Dirg Dte.

Sir,

sub: The Mys State Aid to Inds Act, 1951 - Loan of Rs. 50,000/= sanctioned to the Mys Chrome Tanning Co Ltd., Bangalore on your guarantee. - Form of guarantee.

With reference to your letter No. 81-5-A-Misc. 187/52-53 dt 12-1-56 on the above subject, I am directed to state that there is little or no variation in the terms except in the form of drafting. ~~The form sent and to request that~~ the form suggested by the Bank of Mysore Ltd, ~~Bangalore which they call the Standard form~~", may be adopted.

Yours faithfully

for Dy Secy to Govt

Q. (35) (19)

GOVERNMENT OF MYSORE

No. I 4921 / ycw 190-54-22

Mysore Government Secretariat,

Dated, Bangalore, 17th February 1956.

FROM

The *Secretary to the Government of Mysore,*
Development Department.

To

The Director of Industries & Commerce
in Mysore, Bangalore.

Sir,

Subject:- The Mysore State Aid to Industries Act, 1951 - Loan of Rs.50,000/- sanctioned to the Mysore Chrome Tanning Co.Ltd., Bangalore on Government guarantee - Form of guarantee.

With reference to your letter No.E1-S.A.Misc.187/52-53 dated 12-1-1956 on the above subject, I am directed to state that since there is little or no variation in the terms except in the form of drafting, the form suggested by the Bank of Mysore, Ltd., may be adopted.

Yours faithfully,

o/c

(K.Sankaran Nayar)
for Secretary to Government,
Development Department.